Iowa Department of Human Services

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INFORMATIONAL LETTER NO.1477

DATE: February 4, 2015

TO: All Iowa Medicaid Providers (Excluding Individual Consumer Directed Attendant Care and Waiver)

FROM: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: ICD-10-CM Diagnosis Coding Conventions and Guidelines

EFFECTIVE: October 1, 2015

On October 1, 2015, the IME will implement the ICD-10 code set. Though similar coding conventions and guidelines were present with ICD-9, the IME will now automate some of these guidelines in the Medicaid claims processing system. These guidelines will be applied to institutional claims with a discharge date on or after October 1, 2015, and to professional claims with a date of service on or after October 1, 2015. This will result in the following new claims editing and/or payment changes:

- **Header Codes - Change in Process:** ICD-10-CM diagnosis codes are composed of codes with 3, 4, 5, 6 or 7 characters. Codes with three characters are included in ICD-10-CM as the heading of a category of codes that may be further subdivided by the use of additional characters providing greater detail regarding the condition. Based on the Centers for Medicare and Medicaid Services (CMS) ICD-10-CM Official Guidelines for Coding and Reporting 2015, a three character code is *only* to be used if it *is not* further subdivided. If a category is further subdivided, the three character code is considered a *Header Code*. A new process will be in place to identify these Header Codes and if a Header Code is listed as the primary diagnosis code and it is the only code on a claim, the claim will be denied.

  EXAMPLE - HEADER CODE A56 (OTHER SEXUALLY TRANSMITTED CHLAMYDIAL DISEASES); NON-HEADER CODE A57 (CHANCROID)

- **Manifestation Codes – Change in Process: This applies to institutional claims only.** Based on the aforementioned Guidelines, certain conditions have both an underlying etiology and multiple body system manifestations due to the underlying etiology. For such conditions, the ICD-10-CM coding convention requires the underlying condition to be sequenced first followed by the *Manifestation Code*. A new process will be in place to identify these Manifestation Codes and consider them for payment based on proper sequencing. Manifestation Codes will be denied if billed as the principal diagnosis.

EXAMPLE – MANIFESTATION CODE H36 (RETINAL DISORDERS IN DISEASES CLASSIFIED ELSEWHERE); ETIOLOGY CODE E75.02 (TAY-SACH'S DISEASE)

- **External Causes of Morbidity Codes – Change in Process: This applies to institutional and professional claims.** *Chapter 20: External Causes of Morbidity (V00-Y99)* of the Guidelines identifies ICD-10-CM diagnosis codes as *External Causes of Morbidity Codes***.** These codes permit the classification of environmental events and circumstances as the cause of injury and other adverse effects. These codes are intended to be used *secondary to another code indicating the nature of the condition*. A new process will be in place to identify these External Causes of Morbidity Codes. External Causes of Morbidity Codes will be denied if billed as principal or primary diagnoses.

  EXAMPLE – EXTERNAL CAUSE CODE V96.01XA (BALLOON CRASH INJURING OCCUPANT, INITIAL ENCOUNTER); CONDITION CODE S72.032A (DISPLACED MIDCERVICAL FRACTURE OF LEFT FEMUR, INITIAL ENCOUNTER)

- **Non-specific Codes – Change in Process:** ICD-10-CM diagnosis codes for use when information in the medical record is insufficient to assign a more specific code are termed *Non-specific or Unspecified Codes.* According to the CMS Guidelines, there is little or limited justification for use of these codes due to the granularity of the ICD-10-CM code set. It is essential that providers clearly and specifically document the conditions being treated. Greater specificity in clinical documentation and coding provides the detail needed for mortality and morbidity classification; provides better quality of care, complication and outcome measures; and provides a tracking mechanism to assist in managing risk and monitoring Medical Management Program effectiveness over time. A new process will be in place to track these Non-specific Codes. They will be identified on claims by posting an informational edit that will be used for tracking, reporting and educating providers.

  EXAMPLE – DOCUMENTATION REFLECTS "JUVENILE ARTHRITIS" – M08.00
  PATIENT PRESENTATION IS JUVENILE RHEUMATOID ARTHRITIS WITH SYSTEMIC ONSET, LEFT SHOULDER – M08.212
  (IN ORDER TO CODE M08.212, DOCUMENTATION MUST REFLECT THE SAME.)

If you have any questions please contact the IME Provider Services Unit at 1-800-338-7909, locally in Des Moines at 515-256-4609, or by email at ICD-10project@dhs.state.ia.us.